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C O N F I D E N T I A L JERUSALEM 001795

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR GOLDBERGER/SACHAR/LENTZ;
EEB/CIP/BA FOR GIBBS; PRM FOR PRM/ANE; NSC FOR PASCUAL;
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E.O. 12958: DECL: 07/29/2013

TAGS: ECPS ECON BEXP EINV KWBG IS

SUBJECT: UPDATE ON WATANIYA MOBILE LAUNCH IN THE WEST BANK

REF: A. JERUSALEM 1372

1B. 2007 JERUSALEM 1921

Classified By: Acting Principal Officer Greg Marchese,
Reasons 1.4 (b) and (d)

11. (C) Summary: Wataniya made its first license payment to the PA, according to its CEO, who added that the bulk of the company's network equipment should arrive on October 4. The company's launch is scheduled for February/March 2009. Wataniya is still awaiting a GOI network construction license required for the network equipment's release from Israeli customs. The company is working with the GOI to facilitate equipment delivery to the West Bank. End summary.

Wataniya working for a smooth import process

12. (C) Wataniya Palestine CEO Allan Richardson told Econoff on September 24 that Wataniya had completed its initial mobile phone license payment of USD 80 million to the PA treasury. He said that USD 60 million worth of computers, antennas, and other technical equipment for the Wataniya network, including his company's main switch, is scheduled to arrive at the Tel Aviv airport on October 4 from Sweden. Richardson confirmed that Wataniya's main switch will be based in East Jerusalem at the request of the GOI, and that the network base stations will be fabricated and installed throughout the West Bank (ref a).

13. (C) Richardson said that he plans to ship the bulk of the scheduled October 4 shipment to the West Bank soon after its arrival in Israel. He said he has been working for the GOI's facilitation of that process. Richardson added that most of the remaining USD 10-20 million of network equipment will be purchased locally.

...waiting for GOI permission to import

14. (C) According to Richardson, GOI customs officials will not allow the scheduled October 4 shipment to be imported if Wataniya does not have permission from Israel's Ministry of Communications for Ericsson to install and operate the equipment on Wataniya's behalf (ref B). He said that Wataniya applied for this permission in early September, but had not received a response as of September 24.

Wataniya working for COGAT cooperation

15. (C) Richardson underscored that Wataniya's launch, currently scheduled for February-March 2009, depends on cooperation with the GOI. He has held several meetings with

officials from COGAT, the Israeli Ministry of Communications, and Israeli customs to obtain necessary permits. Richardson said he expects the network construction process to go smoothly, while also noting the numerous unforeseen delays in Wataniya's receiving a GOI-allocated frequency.

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